

CERTIFIED MAIL



MUR # 5421

Judicial Watch

Because no one is above the law!

March 1, 2004

Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

2004 MAR -4 P 2:52

Re: Complaint against John Kerry for President, Inc.

Dear Sir/Madam:

Judicial Watch respectfully submits this sworn complaint against the John Kerry for President, Inc. Committee for failing to report a campaign contribution that appears to be in excess of legal limits.

A review of the reports John Kerry for President, Inc. ("the Committee") submitted to the Federal Election Commission ("the Commission") indicates that the Committee received \$850,000 in unsecured loans from the candidate, including \$100,000 identified as "personal funds." See Exhibit 1.

The Committee also reports receiving \$5,539,965.80 from the candidate in proceeds from secured loans. *Id.*

A loan guarantor is considered a contributor, subject to campaign contribution limits, until the loan is repaid. 11 C.F.R. § 100.52. This regulation applies to a spouse as well as any other related or unrelated individual.

A *Boston Herald* news article published on February 25, 2004 reports that the official City of Boston property assessment value of the home John Kerry shares with his wife is \$6.6 million as of January 1, 2003. See Exhibit 2.

The Committee received \$5,539,965.80 in loans secured at least in part by the value of the Kerry family home, of which Mr. Kerry could at best have an undivided interest of approximately \$3.3 million, depending on the form in which the property is held. 11 C.F.R. § 100.52(b)(4).

This evidence suggests the Committee failed to report a campaign contribution from Mr. Kerry's spouse, to the extent that her property rights in the Kerry family home or any other jointly

69213170092

Office of the General Counsel
March 1, 2004
Page 2


held property are pledged as collateral for any or all of the secured loans received by the Committee. It also suggests that her contribution is in excess of the \$2,000 maximum aggregate campaign allowed by law.

Judicial Watch is a non-profit, public interest legal watchdog and educational organization that obtains and analyzes information required by law to be gathered by government agencies such as the Commission. Judicial Watch disseminates this information to its supporters and the general public through monthly newsletters, daily and weekly radio programs, a twice weekly television program, and a sophisticated Internet website, among other means. The purpose of Judicial Watch's efforts is to educate, stimulate, and inform public discussion about important issues of public policy, including government corruption, abuses of power, and violations of law by public officials. The obtaining, analysis, and dissemination of such information is an integral part of Judicial Watch's purpose and function as a non-profit, public interest watchdog organization. In fact, it is one of the central reasons why Judicial Watch exists.

Accordingly, Judicial Watch respectfully requests that the Commission immediately commence an investigation into this apparent reporting violation and require the Committee to report Mrs. Kerry's contribution properly and otherwise conform its conduct to the law.

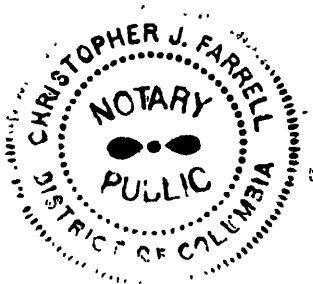
Sincerely,

JUDICIAL WATCH, INC.


Thomas J. Fitton
President

DISTRICT OF COLUMBIA)
) ss:
CITY OF WASHINGTON)

Sworn to and subscribed before me this 51 day of March, 2004 in Washington, DC.





Notary Public

Christopher J. Farrell
Notary Public, District of Columbia
My Commission Expires 11-14-04

26044131371

EXHIBIT 1

ALLOCATION OF PRIMARY EXPENDITURES BY STATE FOR A PRESIDENTIAL CANDIDATE
(Used Only by Primary Committees Receiving or Expecting to Receive Federal Funds)
(PAGE 3, FEC FORM 3P)

3 / 3342

1. NAME OF COMMITTEE (in full)

John Kerry for President, Inc

ADDRESS (number and street)

519 C Street NE

CITY, STATE, and ZIP CODE

Washington

DC 20002

2. IDENTIFICATION NUMBER

C00383653

ALLOCATION BY STATE

STATE	ALLOCATION THIS PERIOD	TOTAL ALLOCATION TO DATE	STATE	ALLOCATION THIS PERIOD	TOTAL ALLOCATION TO DATE
Alabama	0.00	2802.08	Nebraska	0.00	0.00
Alaska	0.00	36.48	Nevada	0.00	25.79
Arizona	0.00	13197.23	New Hampshire	0.00	119254.15
Arkansas	0.00	5105.08	New Jersey	0.00	80701.03
California	0.00	166580.85	New Mexico	0.00	14177.22
Colorado	0.00	1360.76	New York	0.00	223915.23
Connecticut	0.00	1514.18	North Carolina	0.00	404.56
Delaware	0.00	0.00	North Dakota	0.00	0.00
District of Columbia	0.00	10572.31	Ohio	0.00	876.77
Florida	0.00	34128.80	Oklahoma	0.00	138.94
Georgia	0.00	11082.28	Oregon	0.00	355.04
Hawaii	0.00	0.00	Pennsylvania	0.00	11359.41
Idaho	0.00	471.65	Rhode Island	0.00	32452.75
Illinois	0.00	41068.67	South Carolina	0.00	78228.30
Indiana	0.00	127.53	South Dakota	0.00	0.00
Iowa	0.00	235588.00	Tennessee	0.00	12780.80
Kansas	0.00	48.82	Texas	0.00	12528.80
Kentucky	0.00	0.00	Utah	0.00	18.65
Louisiana	0.00	804.05	Vermont	0.00	135.25
Maine	0.00	3885.28	Virginia	0.00	8065.27
Maryland	0.00	2681.53	Washington	0.00	2594.84
Massachusetts	0.00	437384.46	West Virginia	0.00	9.38
Michigan	0.00	17158.98	Wisconsin	0.00	3729.72
Minnesota	0.00	527284.28	Wyoming	0.00	19.48
Mississippi	0.00	25.38	Puerto Rico	0.00	21.67
Missouri	0.00	358.91	Guam	0.00	0.00
Montana	0.00	0.00	Virgin Islands	0.00	0.00
			TOTALS	0.00	2095604.38

26044131372

SCHEDULE A
ITEMIZED RECEIPTS

Use separate schedule(s)
or each category of the
Detailed Summary Page

FOR LINE NUMBER: PAGE 1837 / 3342

(check only one)

☐ 16 ☐ 17a ☐ 17b ☐ 17c ☐ 17d ☐ 18
☐ 19a ☐ 19b ☒ 20a ☐ 20b ☐ 20c ☐ 21

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (In Full)
John Kerry for President, Inc

A. Full Name (Last, First, Middle Initial) Jim Ransley		Date of Receipt M / D / Y 01 / 23 / 2004	
Mailing Address 1399 New York Ave. City: Washington State: DC Zip Code: 20003		Amount of Each Receipt this Period 2110.00	
FEC ID number of contributing federal political committee.		Press Travel	
Name of Employer Receipt For: 2004 <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General Other (specify) ▼	Occupation Election Cycle-to-Date ▼ 2110.00	Transaction ID: C1213779	
B. Full Name (Last, First, Middle Initial) Suzanne Smalley		Date of Receipt M / D / Y 01 / 23 / 2004	
Mailing Address 251 West 57th Stre City: New York State: NY Zip Code: 10009		Amount of Each Receipt this Period 1809.00	
FEC ID number of contributing federal political committee.		Press Travel	
Name of Employer Receipt For: 2004 <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General Other (specify) ▼	Occupation Election Cycle-to-Date ▼ 1973.00	Transaction ID: C1213789	
C. Full Name (Last, First, Middle Initial) Douglas Walter		Date of Receipt M / D / Y 01 / 23 / 2004	
Mailing Address 555 12th St. NW City: Washington State: DC Zip Code: 20007		Amount of Each Receipt this Period 2110.00	
FEC ID number of contributing federal political committee.		Press Travel	
Name of Employer Receipt For: 2004 <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General Other (specify) ▼	Occupation Election Cycle-to-Date ▼ 2110.00	Transaction ID: C1213778	
SUBTOTAL of Receipts This Page (optional)		8129.00	
TOTAL This Period (last page this line number only)		36573.00	

FEC Schedule A (Revised 1/2001)

26044131373

**SCHEDULE A
ITEMIZED RECEIPTS**

Use separate schedule(s)
or each category of the
Detailed Summary Page

FOR LINE NUMBER: PAGE 1838 / 3342
(check only one)
☐ 16 ☐ 17a ☐ 17b ☐ 17c ☐ 17d ☐ 18
☐ 19a ☐ 19b ☐ 20a ☐ 20b ☒ 20c ☐ 21

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NAME OF COMMITTEE (In Full)
John Kerry for President, Inc

Full Name (Last, First, Middle Initial)		Date of Receipt
A. Bank of America		01 / 02 / 2004
Mailing Address		
881 H Street NE		
City	State	Zip Code
Washington	DC	20002
FEC ID number of contributing federal political committee.		Amount of Each Receipt this Period
		179.62
Name of Employer	Occupation	
Receipt For:	Election Cycle-to-Date ▼	* Interest
Primary General	39815 27	
Other (specify) ▼		Transaction ID: C120984D
Full Name (Last, First, Middle Initial)		Date of Receipt
B. Bank of America		01 / 02 / 2004
Mailing Address		
881 H Street NE		
City	State	Zip Code
Washington	DC	20002
FEC ID number of contributing federal political committee.		Amount of Each Receipt this Period
		89.73
Name of Employer	Occupation	
Receipt For:	Election Cycle-to-Date ▼	* Dividends
Primary General	39815.27	
Other (specify) ▼		Transaction ID: C1209839

SUBTOTAL of Receipts This Page (optional) ... 269.35
TOTAL This Period (last page this line number only) ... 269.35

FEC Schedule A (Revised 1/2001)

26044131374

**SCHEDULE A
ITEMIZED RECEIPTS**

Use separate schedule(s)
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Detailed Summary Page

FOR LINE NUMBER: PAGE 1025 / 3342

(check only one)
☐ 16 ☒ 17a ☐ 17b ☐ 17c ☐ 17d ☐ 18
☐ 19a ☐ 19b ☐ 20a ☐ 20b ☐ 20c ☐ 21

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NAME OF COMMITTEE (In Full)
John Kerry for President, Inc

A. Rachel Fox Full Name (Last, First, Middle Initial) Mailing Address 401 East City Ave. Suite 500 City State Zip Code Bala Cynwyd PA 19004 FEC ID number of contributing federal political committee. Name of Employer Mariko Gold, Katcher & Fox Receipt For: 2004 X Primary General Other (specify) <input type="checkbox"/> Occupation Attorney Election Cycle-to-Date <input type="checkbox"/> 1000.00		Date of Receipt M M / D D / Y Y Y Y 01 / 30 / 2004 Amount of Each Receipt this Period 1000.00 [MEMO ITEM] Transaction ID: C87525
B. Unitemized total Full Name (Last, First, Middle Initial) Mailing Address City State Zip Code FEC ID number of contributing federal political committee. Name of Employer Occupation Receipt For: Primary General Other (specify) <input type="checkbox"/> Election Cycle-to-Date <input type="checkbox"/> 1079882.79		Date of Receipt M M / D D / Y Y Y Y 01 / 31 / 2004 Amount of Each Receipt this Period 1079882.79 Transaction ID: AAAAAA1

SUBTOTAL of Receipts This Page (optional) 1079882.79
 TOTAL This Period (last page this line number only) 4116258.39

FEC Schedule A (Revised 1/2001)

26044131375

**SCHEDULE A
ITEMIZED RECEIPTS**

Use separate schedule(s)
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Detailed Summary Page

FOR LINE NUMBER: PAGE 1031 / 3342

(check only one)

☐ 16 ☐ 17a ☐ 17b ☐ 17c ☐ 17d ☐ 18
☒ 19a ☐ 19b ☐ 20a ☐ 20b ☐ 20c ☐ 21

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NAME OF COMMITTEE (In Full)

John Kerry for President, Inc

A. Full Name (Last, First, Middle Initial) John F. Kerry		Date of Receipt 01 / 05 / 2004	
Mailing Address 19 Louisburg Sq. City State Zip Code Boston MA 02108		Amount of Each Receipt this Period 3400000.00	
FEC ID number of contributing federal political committee		Transaction ID: C1212492	
Name of Employer Receipt For: 2004 X Primary General Other (specify) ▼	Occupation Election Cycle-to-Date ▼ 6388364.54		
B. Full Name (Last, First, Middle Initial) John F. Kerry		Date of Receipt 01 / 14 / 2004	
Mailing Address 19 Louisburg Sq. City State Zip Code Boston MA 02108		Amount of Each Receipt this Period 100000.00	
FEC ID number of contributing federal political committee		Transaction ID: C1213763	
Name of Employer Receipt For: 2004 X Primary General Other (specify) ▼	Occupation Election Cycle-to-Date ▼ 6388364.54		

SUBTOTAL of Receipts This Page (optional) 3500000.00

TOTAL This Period (last page this line number only) 3500000.00

FEC Schedule A (Revised 1/2001)

26044131376

**SCHEDULE A
ITEMIZED RECEIPTS**

Use separate schedule(s)
or each category of the
Detailed Summary Page

FOR LINE NUMBER: PAGE 1032 / 3342

(check only one)
☐ 16 ☐ 17a ☐ 17b ☐ 17c ☐ 17d ☐ 18
☐ 19a ☐ 19b ☒ 20a ☐ 20b ☐ 20c ☐ 21

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NAME OF COMMITTEE (In Full)

John Kerry for President, Inc

A. Full Name (Last, First, Middle Initial) Steven Chaggaris Mailing Address 2020 M. St. NW City State Zip Code Washington DC 20036 FEC ID number of contributing federal political committee. Name of Employer Occupation Receipt For: 2004 Election Cycle-to-Date ▼ <input checked="" type="checkbox"/> Primary General 4767.89 Other (specify) ▼		Date of Receipt 01 / 23 / 2004 Amount of Each Receipt this Period 2110.00 Press Travel Transaction ID: C1213775
B. Full Name (Last, First, Middle Initial) Steven Chaggaris Mailing Address 2020 M. St. NW City State Zip Code Washington DC 20036 FEC ID number of contributing federal political committee. Name of Employer Occupation Receipt For: 2004 Election Cycle-to-Date ▼ <input checked="" type="checkbox"/> Primary General 4767.89 Other (specify) ▼		Date of Receipt 01 / 23 / 2004 Amount of Each Receipt this Period 1909.00 Press Travel Transaction ID: C1213774
C. Full Name (Last, First, Middle Initial) Carol Connolly Mailing Address 1150 15th St. NW City State Zip Code Washington DC 20007 FEC ID number of contributing federal political committee. Name of Employer Occupation Receipt For: 2004 Election Cycle-to-Date ▼ <input checked="" type="checkbox"/> Primary General 4019.00 Other (specify) ▼		Date of Receipt 01 / 23 / 2004 Amount of Each Receipt this Period 2110.00 Press Travel Transaction ID: C1213773
SUBTOTAL of Receipts This Page (optional)		6129.00
TOTAL This Period (last page this line number only)		

FEC Schedule A (Revised 1/2001)

2604131377

SCHEDULE A **ITEMIZED RECEIPTS**

Use separate schedule(s)
or each category of the
Detailed Summary Page

FOR LINE NUMBER: PAGE 1833/3342

(check only one)

<input type="checkbox"/> 16	<input type="checkbox"/> 17a	<input type="checkbox"/> 17b	<input type="checkbox"/> 17c	<input type="checkbox"/> 17d	<input type="checkbox"/> 18
<input type="checkbox"/> 19a	<input type="checkbox"/> 19b	<input checked="" type="checkbox"/> 20a	<input type="checkbox"/> 20b	<input type="checkbox"/> 20c	<input type="checkbox"/> 21

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NAME OF COMMITTEE (In Full)

John Kerry for President, Inc

Full Name (Last, First, Middle Initial)		Date of Receipt	
A. Cecil Connolly		M M / D D / Y Y Y Y 01 / 23 / 2004	
Mailing Address		Amount of Each Receipt this Period	
1150 15th St. NW		1909.00	
City	State Zip Code		
Washington	DC 20007		
FEC ID number of contributing federal political committee.			
Name of Employer		Occupation	
Receipt For: 2004		Election Cycle-to-Date ▼	
X Primary General		4019.00	
Other (specify) ▼		Press Travel	
		Transaction ID: C1213772	
Full Name (Last, First, Middle Initial)		Date of Receipt	
B. Rebecca Diamond		M M / D D / Y Y Y Y 01 / 23 / 2004	
Mailing Address		Amount of Each Receipt this Period	
1 MSNBC Plaza		1909.00	
City	State Zip Code		
Secaucus	NJ 07094		
FEC ID number of contributing federal political committee.			
Name of Employer		Occupation	
Receipt For: 2004		Election Cycle-to-Date ▼	
X Primary General		1909.00	
Other (specify) ▼		Press Travel	
		Transaction ID: C1213778	
Full Name (Last, First, Middle Initial)		Date of Receipt	
C. Thomas Frank		M M / D D / Y Y Y Y 01 / 23 / 2004	
Mailing Address		Amount of Each Receipt this Period	
1730 Pennsylvania Ave.		2110.00	
City	State Zip Code		
Washington	DC 20008		
FEC ID number of contributing federal political committee.			
Name of Employer		Occupation	
Receipt For: 2004		Election Cycle-to-Date ▼	
X Primary General		2110.00	
Other (specify) ▼		Press Travel	
		Transaction ID: C1213782	
SUBTOTAL of Receipts This Page (optional)		5928.00	
TOTAL This Period (last page this line number only)			

FEC Schedule A (Rev 1888 1/2001)

26044131378

SCHEDULE A
ITEMIZED RECEIPTS

Use separate schedule(s)
or each category of the
Detailed Summary Page

FOR LINE NUMBER: PAGE 1834 / 3342
(check only one)
☐ 16 ☐ 17a ☐ 17b ☐ 17c ☐ 17d ☐ 18
☐ 19a ☐ 19b ☒ 20a ☐ 20b ☐ 20c ☐ 21

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NAME OF COMMITTEE (In Full)
John Kerry for President, Inc

A. David Halbfinger Full Name (Last, First, Middle Initial) Mailing Address 228 Peachtree St. NE Suite 1103-NY City State Zip Code Atlanta GA 30303 FEC ID number of contributing federal political committee. Name of Employer Occupation Receipt For: 2004 Election Cycle-to-Date ▼ <input checked="" type="checkbox"/> Primary General 11963.27 Other (specify) ▼		Date of Receipt M M / Y Y Y Y 01 / 23 / 2004 Amount of Each Receipt this Period 1909.00 Press Travel Transaction ID: C1213787
B. David Halbfinger Full Name (Last, First, Middle Initial) Mailing Address 228 Peachtree St. NE Suite 1103-NY City State Zip Code Atlanta GA 30303 FEC ID number of contributing federal political committee. Name of Employer Occupation Receipt For: 2004 Election Cycle-to-Date ▼ <input checked="" type="checkbox"/> Primary General 11963.27 Other (specify) ▼		Date of Receipt M M / Y Y Y Y 01 / 23 / 2004 Amount of Each Receipt this Period 2110.00 Press Travel Transaction ID: C1213788
C. Patrick Healy Full Name (Last, First, Middle Initial) Mailing Address The Boston Globe PO Box 2378 City State Zip Code Boston MA 02107 FEC ID number of contributing federal political committee. Name of Employer Occupation Receipt For: 2004 Election Cycle-to-Date ▼ <input checked="" type="checkbox"/> Primary General 3765.17 Other (specify) ▼		Date of Receipt M M / Y Y Y Y 01 / 23 / 2004 Amount of Each Receipt this Period 2110.00 Press Travel Transaction ID: C1213781
SUBTOTAL of Receipts This Page (optional)		6129.00
TOTAL This Period (last page this line number only)		

FEC Schedule A (Revised 1/2001)

26044131379

SCHEDULE A ITEMIZED RECEIPTS

Use separate schedule(s)
or each category of the
Detailed Summary Page

FOR LINE NUMBER: PAGE 1835 / 3342
(check only one)

<input type="checkbox"/> 18	<input type="checkbox"/> 17a	<input type="checkbox"/> 17b	<input type="checkbox"/> 17c	<input type="checkbox"/> 17d	<input type="checkbox"/> 18
<input type="checkbox"/> 19a	<input type="checkbox"/> 19b	<input checked="" type="checkbox"/> 20a	<input type="checkbox"/> 20b	<input type="checkbox"/> 20c	<input type="checkbox"/> 21

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NAME OF COMMITTEE (In Full)

John Kerry for President, Inc.

A. Full Name (Last, First, Middle Initial) Jim Kuhnheim Mailing Address 529 14th St. Suite 700 City State Zip Code Washington DC 20045 FEC ID number of contributing federal political committee. Name of Employer Occupation Receipt For: 2004 Election Cycle-to-Date X Primary General Other (specify) 4019.00		Date of Receipt 01 23 2004 Amount of Each Receipt this Period 2110.00 Press Travel Transaction ID: C1213771
B. Full Name (Last, First, Middle Initial) Jim Kuhnheim Mailing Address 529 14th St. Suite 700 City State Zip Code Washington DC 20045 FEC ID number of contributing federal political committee. Name of Employer Occupation Receipt For: 2004 Election Cycle-to-Date X Primary General Other (specify) 4019.00		Date of Receipt 01 23 2004 Amount of Each Receipt this Period 1909.00 Press Travel Transaction ID: C121377D
C. Full Name (Last, First, Middle Initial) Nancy Lane Mailing Address One Herald Square City State Zip Code Boston MA 02118 FEC ID number of contributing federal political committee. Name of Employer Occupation Boston Herald Traveling Press Receipt For: 2004 Election Cycle-to-Date X Primary General Other (specify) 2110.00		Date of Receipt 01 23 2004 Amount of Each Receipt this Period 2110.00 Press Travel Transaction ID: C121378D
SUBTOTAL of Receipts This Page (optional)		6129.00
TOTAL This Period (last page this line number only)		

FEC Schedule A (Revised 1/2001)

26044131380

26044131581

EXHIBIT 2

1 of 2 DOCUMENTS

Copyright 2004 Boston Herald Inc.
The Boston Herald

February 25, 2004 Wednesday ALL EDITIONS

SECTION: NEWS, Pg 001**LENGTH:** 846 words**HEADLINE:** Kerry loan twice as nice**BYLINE:** By ELLEN J. SILBERMAN and JACK MEYERS**BODY:**

U S. Sen. John F Kerry used an appraisal pegging the value of his Beacon Hill townhouse at twice the amount listed on City Hall records in order to get the \$6.4 million loan he needed to resuscitate his presidential bid.

The Kerry campaign says the elegant Louisburg Square townhouse that Kerry shares with is millionaire wife, Teresa Heinz Kerry is worth \$12.8 million - exactly double the Christmas Eve mortgage the senator got from Mellon Bank.

But Boston's Assessing Department puts the value of the swank, five-story mansion - with six fireplaces, five bedrooms, a private elevator and roofdeck - at \$6.6 million as of Jan. 1, 2003. The assessed value actually dropped from 2002's figure of \$6 95 million

The home's true value is significant since federal election laws allow Kerry to finance his presidential bid by borrowing only against his own assets - prohibiting him from tapping into his wife's millions

"It could be a very, very big excessive contribution by his wife if, in fact, he's using more than half the real value of the house," said Don Simon, a Washington-based campaign finance lawyer who is unaffiliated with any presidential campaign Kerry Heinz is limited to donating \$2,000 to her husband's campaign.

The conflicting valuations also raise questions about the propriety of the loan - taken from Mellon Bank of New England, a subsidiary of Pittsburgh-based Mellon Bank, N.A. Kerry Heinz, heiress to the Heinz ketchup fortune, has a long history with Mellon Bank. The bank also serves as a trustee for The T & J Louisburg Square Nominee Trust, the entity that owns the townhouse

The Kerry's personal attorney, Paul Bschorr, denied any favoritism.

"It's a straight forward mortgage Straight off the shelf," Bschorr said, adding that he'd seen the appraisal but wouldn't provide it to the Herald.

"I've seen it and it's \$12 8 million," he said "I can't release any documentation It's confidential "

The loan was crucial to righting Kerry's campaign, which late last year appeared to be in third place in Iowa and running a poor second to former Vermont Gov Howard Dean in New Hampshire Kerry's surprise win in Iowa catapulted him to front-runner status.

"It allowed John to exclusively focus on campaigning in Iowa and New Hampshire without going to any fund-raising events," said campaign spokesman Michael Meehan. Meehan said Kerry didn't do any fund raising in January and has only attended two fund-raisers this month, adding, "He's been really freed up "

But Meehan said the all-important mortgage complied fully with Federal Election Commission regulations.

"The bank did an appraisal," and determined the home is worth \$12 8 million, Meehan said "Sen Kerry mortgaged his half of the family home . . and loaned his campaign \$6.4 million."

A city or town's assessment of a home's value rarely matches what a property sells for on the open market, said Meehan. "Every homeowner in Massachusetts will understand that," he said.

26044131382

The Boston Herald, February 25, 2004 Wednesday

When asked about the wide \$6.2 million discrepancy between the city's valuation and Mellon Bank's appraisal, Meehan said, "Take it up with the city."

Legally, Boston must assess homes at their "fair market value" and City Assessor Ron Rakow said his department does a pretty good job of keeping up.

"It's not unusual to see assessments at about 90 percent of the market," Rakow said, noting that city workers visited 19 Louisburg Square to check its condition in July 2002.

The Assessing Department's database shows the home in excellent condition with a modern kitchen and modern bathrooms and "elaborate" interior finish, meaning it is unlikely that Mellon Bank's appraiser found new conditions that would have doubled the house's value

"That's a big difference," Rakow said, referring to gap between his value and the bank's appraisal. Meehan also said other luxury properties near Kerry's have sold for amounts in excess of the city's assessed value.

City, county and real estate listing records show that a property at 3 Louisburg Square sold in September for \$5.5 million while the city's assessment values it at \$4,434,500 - 20 percent less.

Another nearby property at 56 Beacon St. is assessed at \$5,057,400 but sold last month for \$8,550,000 - a 69 percent premium

Meehan said he would not provide a copy of the bank's appraisal. "You can ask the bank if they will turn over the appraisal," he said. He said Kerry has already disclosed more than he is required to under Federal Elections Commission law

Ron Gruendel, a spokesman at Mellon Bank's corporate headquarters in Pittsburgh, said the firm's dealings with the Kerrys are private

"Our relations with our clients, those are proprietary and we don't discuss those publicly," Gruendel said.

However, banks do provide copies of an appraisal to the borrower as a routine matter, meaning Kerry could get his appraisal and release it himself.

Caption: SEN JOHN F KERRY

Caption: KERRY Used equity in home to fund campaign loan.

Caption: HEINZ KERRY Allowed to donate only \$2,000 to campaign.

LOAD-DATE: February 25, 2004

2604413153